



**Director of
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Intelligence**

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National Intelligence Council

NIC Threat Outlook

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NIC Threat Outlook

Recent intelligence reflected in this Outlook points up:

- New Sandinista threats to both armed and unarmed resistance in Nicaragua.
- A rising potential for adverse drug-related political change in Latin America.

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- Disappointing trends in the outlook for PLO cooperation in the Middle East peace process.

1. ***New Sandinista Threats to Both Armed and Unarmed Resistance in Nicaragua.*** The Sandinistas reportedly are preparing to launch a major offensive soon against the Contras, hoping that defeat of the insurgents would sharply limit US options for dealing with Nicaragua. At the same time they are bearing down on the political opposition in Managua and other cities by restricting travel and contact of leaders, tightening up on censorship, and breaking off the National Dialogue.

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- Sandinista capabilities for countering the Contras are being substantially enhanced by Nicaragua's acquisition of some [] MI-24 Hind helicopter gunships recently delivered by Bulgarian and Soviet ships. These gunships are especially suited for a counterinsurgency role and probably will be used in any new offensive against the Contras.
- A new Sandinista counterinsurgency campaign, especially one making heavy use of the Hind helicopter gunships with Cuban assistance (and rockets which can decimate Contra camps from 10 miles away), will put the Contras to a severe test, and may force many groups to withdraw back into Honduras for sanctuary.

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- The Sandinistas may be able to damage the Contras seriously, but probably do not have the capability to eliminate the Contras as a continuing threat.
- Meanwhile, the Sandinistas also are cracking down on the internal political opposition, apparently having decided that now that the elections are over they are free to take a hard line.
- The democratic opposition parties are in disarray. Many of the opposition leaders, including politicians, union officials, and editors of the main opposition newspaper, have already been prevented from leaving the country on false pretexts, and feel increasingly intimidated. The opposition newspaper, *La Prensa*, also has been subject to extensive renewed censorship, as have the Sunday sermons of Catholic Church leaders.
- The Sandinistas may plan to follow the Cuban tactic of attempting to force main opposition leaders to leave the country, then prevent them from returning and seize their property and assets.
- Ultimately, the external opposition would be greatly weakened, and the facade of pluralism would be ended.

2. A Rising Potential for Adverse Drug-Related Political Change in Latin America.

- The potential for political instability caused by drug-related activities in several countries in Latin America is markedly on the increase.
- In some respects traffickers may pose a greater danger to certain governments than do some of the endemic insurgency movements that have dragged on in these countries for so many years. In particular, the traffickers have far more resources available than most insurgents, and have the ability to buy into the power structure and turn it against itself.
- In recent incidents—concerning Honduras, Colombia, Bolivia, and The Bahamas—drug-related activities posed direct and immediate threats to governments friendly to the United States and to the lives of government officials. Further threats, assassination attempts, and other terrorist activities are to be expected.

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- Longer term threats to stability, particularly from efforts to expand the military's role in drug control, are also increasing because of the impact of corruption and because of trafficker efforts to gain political power in order to combat government antidrug programs.
- Some parts of the military inevitably get pulled into protecting or actually participating in the drug trade in those countries, such as Bolivia, Colombia, Peru, and Mexico, where large-scale production and trafficking exist.
- In Colombia, Jamaica, and elsewhere, traffickers have gained political power by financing campaigns and, at least in Colombia, by developing a loyal cadre within the national legislature. In all the drug-producing countries, traffickers seek enough local political power to gain police and judicial protection—usually with some success.
- Traffickers are enhancing their ability to influence elite and general public opinion through threats of violence and through control over media.

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4. *Disappointing Trends in the Outlook for PLO Cooperation in the Middle East Peace Process.*

- The just-completed PLO meeting in Amman, despite some interesting anti-Syrian aspects, has probably not served the peace process.
 - The PLO has not really split in any decisive sense. Arafat is back at his old quest for PLO consensus, probably eliminating serious PLO interest in ceding any negotiating authority to Hussein.
 - The PLO now will try to distance itself from Jordan, having initially used Amman to escape Syrian clutches.
- A Split or Greater Unity?
 - A split—or shattering—of the PLO may be an essential prerequisite to freeing moderate Palestinians to engage in the peace process.

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- The problem is not that the PLO is a group of radical terrorists unwilling to compromise, but that the PLO is obsessed with maintaining unity of the movement above all other goals—which decisively limits its freedom of maneuver. No organization, furthermore, is going to vote itself out of existence or give up its own authority to someone else.
- The PLO will never cede to King Hussein any authority to negotiate on its behalf—unless the organizational consequences of failing to empower Hussein are worse than holding on to the authority.
- In short, only if West Bank Palestinian leaders could credibly threaten to negotiate with Israel on their own without the PLO would Arafat be forced to act; otherwise, Arafat will choose the interests of organizational unity.
- Arafat has once again proved his diplomatic skills by holding the PNC in Amman, reestablishing his leadership, still leaving room open to the leftists to join the movement, and leaving Syria's Palestinian allies with little place to go. Although a split may have technically taken place, in fact, Arafat has reasserted control of the mainstream of the movement. The PLO is probably stronger now than before the meeting.

— Increased PLO Terrorism?

- The Israelis are concerned that the PLO is gaining greater power in Jordan. Hussein now has given the PLO the right to establish the PNC executive office in Amman. Hussein is as well aware as anybody of the dangers of an independent PLO power in Jordan, however, and will almost surely not let this happen. He will probably give the PLO no more independent power in Amman than is necessary to keep it out of Syrian hands.
 - If terrorism against Israel from Jordan should start developing, this will be a very bad sign: apart from the threat to Israel, it will be a clear sign that Jordan is losing control over the PLO. Hussein is nonetheless likely to stay on top of this danger.
- Syria has yet to respond to Hussein's hosting of the PLO in an obvious anti-Syrian ploy. The danger of terror or assassination against Hussein, other Jordanians, or Arafat is particularly high, especially as Syria feels the pinch of Iraqi normalization with the United States at Syria's rear flank, and its own diminishing options.

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